

O 142235Z MAY 07  
FM SECSTATE WASHDC  
TO PAGE 02 STATE 065749 142242Z  
AMEMBASSY BEIJING IMMEDIATE  
INFO AMEMBASSY ISLAMABAD IMMEDIATE  
AMCONSUL HONG KONG IMMEDIATE

S E C R E T STATE 065749

E.O. 12958: DECL: 05/14/2032  
TAGS: [PARM](#) [PREL](#) [MNUC](#) [PK](#) [CH](#) [HK](#)  
SUBJECT: (S) NIAG 7011/7015/7016: EFFORTS BY AN  
UNSAFEGUARDED NUCLEAR PROGRAM TO OBTAIN ASSISTANCE FROM  
CHINESE ENTITIES

REF: A. 06 STATE 8869  
[1](#)B. 06 BEIJING 1300  
[1](#)C. 06 STATE 113997  
[1](#)D. 05 STATE 117729  
[1](#)E. 05 BEIJING 10266  
[1](#)F. 05 BEIJING 13327

Classified By: EAP DAS Thomas Christensen;  
Reasons 1.4 (b), (c), and (d).

[1](#)1. ACTION REQUEST: Post is requested to approach appropriate Chinese officials regarding ongoing attempts by an unsafeguarded nuclear program to obtain technology for the program from Chinese entities. Post should provide new information about continued activities by this program to seek enrichment related inputs in China, and also should seek information on actions the Government of China has taken in response to previous demarches. Post should draw from background and objectives below.

-----  
BACKGROUND  
-----

[1](#)2. (S//REL China) Since 2005, the USG has engaged the Chinese government about ongoing attempts by an unsafeguarded nuclear program to procure enrichment-related items in China (refs. D-F). Most recently, we informed Chinese officials in January 2006 that Chinese national Gao Yiming (alternate spelling: Gao Yi Ming) was engaging in efforts to provide enrichment-related items to an unsafeguarded nuclear program (Ref A). These efforts included:

-- Supplying approximately 1000 meters of aluminum alloy 6061 (AA6061) T6 tubes matching molecular pumps known to be used in gas centrifuges for uranium enrichment;

-- Coordinating the transfer of samarium ingots of 99.9 percent purity, which could be used for producing ring magnets for gas centrifuges;

-- Coordinating the supply of an aluminum production line, which would include a 55 mega-newton double acting horizontal aluminum extrusion press from China's Taiyuan Heavy Industry Company; and

-- Transferring up to 500 tons of AA6061 aluminum cast billets, likely to be used as feed stock for the extrusion press. NOTE: The aluminum billets and the extrusion press can be used to produce thick-walled aluminum tubes, which could assist the recipient country's development of an indigenous capability to manufacture uranium centrifuge components.

[1](#)3. (S//REL China) We still have not received a formal response from the Chinese government regarding the information provided in January 2006. During the most recent session of our nonproliferation dialogue in June 2006, we stressed to Chinese Foreign Ministry Director General for Arms Control Zhang Yan that the transfer of the aluminum

production line continued to move forward.

14. (S/REL China) Washington would like to emphasize our concern that the recipient country's unsafeguarded nuclear program is seeking to become self-reliant and is turning to Chinese entities to reach that objective. Additional information indicating that this unsafeguarded nuclear program is seeking to become self-reliant with the assistance of Chinese entities include the following examples:

-- Officials associated with the unsafeguarded nuclear program sought approximately 70 metric tons of tributyl phosphate (TBP) of 99.5 percent purity through Taihe (Hong Kong) Limited. We are not aware whether this TBP has already been shipped, but it would be shipped via sea from Shanghai. In addition, Taihe was discussing with the unsafeguarded nuclear program requirements for a TBP plant.

-- TBP is used in reprocessing operations to extract plutonium and to purify uranium by solvent extraction, a necessary front-end purification step prior to further chemical conversion to UF<sub>6</sub> for enrichment plant feed. We assess that the TBP would be used by the unsafeguarded nuclear program for one of these purposes, and that the unsafeguarded nuclear program is also seeking to develop indigenous TBP production capabilities.

--Taihe Limited also operates under the name Chlight Corporation. The company's mailing address in China is 1703 Flat A, World Trade Centre, 9 Shuncheng Street, Chengdu, Sichuan 610016. It also has a Hong Kong address, which is MST2090, Room 1007, 10/F, Ho King Center, No. 2-17 Fa Yuen Street, Mongkok.

-- China's Westways Technologies Ltd. had previously supplied the unsafeguarded nuclear program's tube plant with a cold rolling mill, and in September 2006 sent a team of engineers to repair the equipment. Westways continued to discuss defects in the mill with the unsafeguarded nuclear program as of late 2006. The tube plant supports unsafeguarded plutonium production reactors in the recipient country through indigenous tubing manufacturing, which is likely used for the reactors, fuel rods.

-- Lastly, the unsafeguarded nuclear program has been soliciting the purchase of a hydrogen peroxide plant from two Chinese companies - Tianjin Universal Machinery Import and Export Corporation and Jingjiang Jinyuan International Trade Company Ltd. We are not aware that a contract has been negotiated yet, but as of late 2006 the companies were corresponding with representatives associated with the unsafeguarded nuclear program about potential costs, technology, training and visits to Chinese factories and operational plants.

-- Tianjin Universal Machinery Import and Export Corporation is located at Heping District, Tianjin, 18 Zhangde Road, Room 318, 300042.

-- The address of Jingjiang Jinyuan International Trade Company Ltd. is 6th Floor, Jingjiang Entry-Exit Inspection Bureau, Jingjiang, Jiangsu.

-- Although hydrogen peroxide is widely used in industry, it is on the reprocessing watchlist that the U.S. circulated to NSG participating governments because it has several nuclear uses. For example, hydrogen peroxide can be used to precipitate uranium or plutonium out of solution. It is also used in uranium purification, uranium ore concentration, and plutonium recovery and purification.

-- We believe that the unsafeguarded nuclear program would use the hydrogen peroxide plant it is seeking to obtain in China for these purposes. We are aware that the unsafeguarded nuclear program had been seeking a large amount of hydrogen peroxide for use in material processing consistent with various nuclear-related applications. Development of a hydrogen peroxide plant would obviate the

need to import this material.

-- Our information does not indicate whether these Chinese companies are aware that the end-user of their products will be an unsafeguarded nuclear program. It is possible that the unsafeguarded nuclear program may be communicating with the Chinese companies through front companies or middle men.

-----  
OBJECTIVES  
-----

15. (S) Post should:

-- Encourage Chinese officials to investigate these transfers to the unsafeguarded nuclear program.

-- Urge Chinese officials to take appropriate and necessary measures to ensure that Chinese companies are not assisting an unsafeguarded nuclear program in its efforts to become self-reliant.

-- Encourage Chinese officials to share with us the results of their investigations in a timely manner.

-----  
REPORTING REQUIREMENT AND POC  
-----

16. (U) Please report delivery of demarche and any immediate response by 18 May.

17. (U) Washington points of contact for follow-up information is Mark Felipe, (202) 647-5376, felipem2@state.sgov.gov, and Renee Pan, (202) 736-7939, panrs@state.sgov.gov. Please slug all responses for ISN, T, EAP, and SCA. Washington appreciates Post's assistance.

RICE